

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION

MINUTES OF MEETING

Wednesday, September 14, 2011

The Board of Administration met on Wednesday, September 14, 2011 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 2:17 p.m. and the following members were present:

Rob Feckner, President
George Diehr, Vice President
Michael Bilbrey
Terry McGuire for John Chiang
Richard Costigan
Grant Boyken for Bill Lockyer
Priya Mathur
Tony Oliveria
Howard Schwartz for Ronald Yank

Board of Administration Members excused: Dan Dunmoyer, JJ Jelincic, Henry Jones, and Lou Moret.

Special Meeting

Peter Mixon, General Counsel, advised that a special meeting was being convened pursuant to Government Code Section 11125.4, and that the meeting was duly noticed under the provisions of that statute.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Board adopted the following:

- The Board finds that the delay necessitated by providing ten days' notice prior to this meeting, which is generally required under the Open Meeting Act, would cause a substantial hardship on the Board for the following reasons:
 - A member of this Board, Mr. J.J. Jelincic, is also an employee of CalPERS. He appealed from an adverse action taken by CalPERS staff against the Board member in his status as an employee of CalPERS. The State Personnel Board upheld the adverse action in a decision dated September 6, 2011.

- 2) The Board of Administration has adopted a policy of governance principles which covers Board member conduct and the governance of the Board. This policy requires, among other things, that Board members meet high ethical standards that exceed legal minimums and conduct themselves with integrity, dignity, civility, and courtesy. Under the policy, the Board has the authority to take action for conduct of its members which fails to meet the standards of the policy.
- 3) Immediate action is necessary to resolve an issue of Board member conduct under the Board's governance principles. Without immediate action, the status of the Board member under the governance principles would be unresolved and uncertain, causing confusion over the Board's willingness to address Board member conduct issues and a loss of confidence in the Board's governance principles and processes.

President Feckner read a statement from Mr. Jelincic, who was not in attendance.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Board approved taking the following actions:

- Public censure of Mr. Jelincic's conduct.
- Suspension of Mr. Jelincic's positions as Chair of the Investment Policy Subcommittee and Vice Chair of the Health Benefits Committee until March 1, 2012.
- Suspension of Mr. Jelincic's future travel privileges until March 1, 2012, except for travel to and from Board and Committee meetings, meetings with constituents, and pre-approved Board travel.
- Additional training requirement for Mr. Jelincic.

There being nothing further to come before the Board of Administration, the meeting adjourned at 2:24 p.m.

ANNE STAUSBOLL
Chief Executive Officer